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PRESS RELEASE

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Deficit Estimate Continues to Fall

Surging Revenues Drive Down Deficit to \$250 Billion

The continued surge of federal revenues, generated by strong economic growth, have reduced the fiscal year 2006 budget deficit to \$250 billion, according to the estimate released today by the Congressional Budget Office [CBO]. These figures *include* amounts spent in 2006 for operations in Iraq and Afghanistan and Hurricane Katrina recovery efforts. This estimate is sharply lower than the \$296 billion figure estimated by the Office of Management and Budget [OMB] in July, and even lower than CBO's \$260 billion estimate in August.

This preliminary deficit estimate was provided in CBO's *Monthly Budget Review*, which provides a brief analysis of actual spending and revenues for the current fiscal year. The final figures will be released by the Department of Treasury and OMB as early as Wednesday of next week.

"Thanks to a responsible budget blueprint and pro-growth policies, we're not only seeing the deficit fall, but also laying a solid foundation to meet our nation's immense future challenges. To ensure this trend of deficit reduction continues in the longer-term, we've got to remain diligent in our efforts to keep our economy strong and restrain federal spending." said House Budget Committee Chairman Jim Nussle (R-IA).

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